

# Investing in Georgia

## Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find:

- A report on the national "beauty contest" being conducted by Boeing, as it seeks the most attractive incentives package for the location for its new 777X facility
- News regarding Georgia's ranking as the state with the best business climate in 2013
- Recent developments regarding feature film and television projects in Georgia

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby  
King & Spalding Economic Development Practice Group

### Recent Developments

**Western (Georgia) is Sizzlin'.** Economic development activities have heated up in West Georgia in a dramatic fashion over the last few months. Major announcements were made in Cedartown regarding an expansion by Gildan Yarns; in Villa Rica with respect to important new projects for Southwire and UPC Southeast; and in Carrollton, where significant development and expansion projects were reported with respect to facilities for Trident Seafoods, Yachiyo Manufacturing of America, Decostar Industries and Southwire. [More »](#)

**Site Selection Magazine: We're #1!** The November 2013 edition of Site Selection magazine ranked Georgia as the state with the best business climate, according to its annual review of states' attractiveness to corporate facility investors. Georgia had placed 4th in 2012, 2nd in 2011, and 6th in 2010, before finally earning the top spot in 2013. Our state edged out North Carolina, Texas, Ohio and Tennessee, who received the next four slots on the annual report. [More »](#)

### In The News

**Corporate Beauty Contest for Boeing?** One of the big stories in the news recently is the heated competition for a new Boeing facility for the design and manufacture of the 777X, a 350-to-400 seat jet slated to enter service in 2020. According to a recent Wall Street Journal [article](#) ("*Boeing Holds Bake-Off for*

### December 2013

#### By the numbers

**5%**

Average total return, since 1990, for the S&P 500 during the 4th quarter – greater than the average total return for the other 3 quarters combined (a gain of 3.4%).

**\$1.027 trillion**

Total outstanding loan balance of student loans as of 9/30/13, 11.8% of which were at least 90 days delinquent.

**\$26.8 billion**

The unfunded liability of Chicago's six pension plans for city workers, nearly eight times higher than the unfunded liability of Detroit's pension plans for its city workers. Detroit filed for bankruptcy protection in July.

**7.3%**

U.S. unemployment rate as of 10/31/13. Every 1/2 of 1% decrease in our nation's unemployment rate is equal to 774,000 Americans going back to work.

**\$15,856**

*Biggest Tax Breaks*", WSJ 12/10/2013), Boeing is seeking to build as much as 4.2 million square feet of facilities at a cost that could top \$10 billion. The competition is once again drawing attention to corporate efforts to obtain tax breaks and other incentives before selecting a site for a new facility. [More »](#)

**Federal Government Encourages Further Economic Investment.** The President recently announced plans to expand SelectUSA, a program created in 2011 to encourage investment in the U.S. economy. The program has already produced positive results, as foreign firms have started investing in manufacturing facilities in Georgia, Kansas, and Oklahoma. Based on this success, the federal government's plan to expand the program may be good news for U.S. manufacturing. [More »](#)

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### Looking Ahead

**Georgia-filmed Productions on the Rise.** Feature films and television projects filmed in the State of Georgia generated an economic impact of \$3.3 billion during fiscal year 2013, according to a recent report from the Georgia Department of Economic Development's Office of Film, Music & Digital Entertainment. Among the films recently in production in the state are "The Hunger Games: Catching Fire", Tyler Perry's "A Madea Christmas", and "Anchorman 2: The Legend Continues." [More »](#)

**Update: Federal Tax Reform Risks to State and Local Government.** Penelope Lemov, a correspondent with "GOVERNING" (a media platform covering politics, policy and management for state and local government leaders), provided this recent insight into the status of the vital issue of tax reform:

With just over a month left in 2013 and Congress' already abysmal track record, it's a good bet that nothing will happen with tax reform this year. For states and localities, that's a huge relief. After all, two items on tax reformers' hit lists include the tax-free interest on municipal bonds and the ability of taxpayers to deduct state and local taxes from their federal income taxes. But state and local officials shouldn't get too comfortable. [More »](#)

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Adjusted gross income of individuals qualifying in 2014 for Medicaid under ObamaCare, which expanded coverage from 100% to 138% of the federal poverty level. The Supreme Court ruling in 2012 gives states the right to opt out of the required expansion.

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### 9.8%

Number of home mortgages (1 out of every 10.3) that were either delinquent or in foreclosure as of 9/30/13. 15%, or 1 out of every 6.7, were delinquent or in foreclosure as of 12/31/09.

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### \$40,917

Tuition, fees, room and board at an average private school for 2013-14, as compared with \$18,391 at an average in-state public college.

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### \$2.5 billion

Back-pay and benefits paid to federal employees that were furloughed for 16 days in early October, 2013 during the government shutdown.

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### 32%

Increase in world's daily consumption of oil over the last 20 years. During that same period, China's daily consumption of oil has increased 243%.

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### \$426 billion

Retail sales in September, 2013, a 3.2 increase over September 2012 and the 2nd highest monthly total ever.

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